

**TESTIMONY OF
THE UNITED ILLUMINATING COMPANY**

Before the Energy and Technology Committee

RE:

**PROPOSED BILL 602– An Act Concerning Social Security Numbers as Required
Identification for Opening an Account with a Public Service Company**

**Legislative Office Building
February 10, 2009.**

Senator Fonfara, Representative Nardello, and members of the Energy and Technology Committee. My name is George Balsamo and I am the Meter Security Manager for the United Illuminating Company ("UI"). I am here today to express UI's strong opposition of **Proposed Bill 602– An Act Concerning Social Security Numbers as Required Identification for Opening an Account with a Public Service Company.**

The use of social security numbers, although originally not intended to be, has become the single most effective form of identification used in today's business environment where positive identification is required. The Legislature recognized this need and adopted Public Act 08-167 which became effective this past October. It became readily apparent that it was not the use of this number that was of concern but rather its misuse. The public act also affirmed the right of utilities to continue the use of social security numbers as an identifier for the purposes of opening a utility account. The protections mandated by the act enhance the safekeeping of identity information provided by customers. Our experience shows that this number is invaluable in determining the legitimacy of our customer base. Absent the use of this number, there would be significant problems in a variety of areas of UI's customer service operations.

For example, customers having the same names could easily be mistaken for one or another, resulting in confusion in billing and payment obligations. Information pertaining to a customer account could easily be provided to another individual impersonating the customer causing liability to the utility.

UI goes to great lengths to secure this identifying number given its critical need and the importance of the social security numbers to our customers who have entrusted us with it. Current operating procedures reflect full compliance with Sarbanes-Oxley requirements and applicable state statutes. Various levels of authorization are in place to allow only certain employees access to information

where customer identification is provided. UI's operating procedures are specific as to the information that can be obtained from a customer.

The use of fraudulent information to obtain electric service for purposes of avoiding payment is increasing costs to the utility. This cost, reflected in UI's uncollectible accounts, is spiraling upwards and is having a significant negative impact on rates despite our aggressive stance in this area. The inability to require an individual's social security number would dramatically impair UI's ability to confirm legitimacy, thereby further raising the risk of increased costs on the vast majority of ratepayers who are "playing by the rules." More appropriately, we suggest social security numbers be used in conjunction with additional forms of identification such as Motor Vehicle Department licensing which not only provides a photo ID but a date of birth. This would strengthen our effort in protecting the identity of minor children.

This identifier is critical for skip tracing purposes which can determine alternate addresses of a customer and is the only number specific to all credit bureaus from which information can be obtained. Furthermore, reporting to Credit Bureaus is an important tool utilized by a multitude of businesses in determining an individual's assets, debt and their ability to secure credit. UI currently reports delinquent accounts to the credit bureaus that rely on this information as authorized by state statutes. This reporting procedure discourages delinquency and promotes the maintenance of good credit ratings.

For these reasons, UI strongly opposes **Proposed Bill 602-- An Act Concerning Social Security Numbers as Required Identification for Opening an Account with a Public Service Company** and urges the Committee to reject the bill accordingly.

Thank you for the opportunity to appear before you today. I will try to answer any questions you may have.